

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 7

SPROUT MORTGAGE, LLC,

Case No. 23-72433-reg

Debtor.

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**ORDER CONVERTING CASE UNDER CHAPTER 7
TO A CASE UNDER CHAPTER 11**

UPON the motion (the “Motion”) of Sprout Mortgage, LLC (the “Debtor”), seeking the entry of an order pursuant to section 706(a) of Title 11 of the United States Code (the “Bankruptcy Code”) and Rule 1019 of the Federal Rules of Bankruptcy Procedures (the “Bankruptcy Rules”), converting its case commenced involuntarily under Chapter 7 of the Bankruptcy Code to a case under Chapter 11 of the Bankruptcy Code; and Avrum J. Rosen, Esq. and Nico G. Pizzo, Esq. having appeared on behalf of the Debtor; and Allan B. Mendelsohn, the interim Chapter 7 Trustee having appeared; and Fred S. Kantrow, Esq. and William C. Heuer, Esq. having appeared on behalf of the Chapter 7 Trustee; and Albena Petrakov, Esq. having appeared on behalf of the petitioning creditors; and Matthew Stein, Esq. having appeared on behalf of interested party Michael Strauss; and Stan Yang, Esq. having appeared on behalf of the Office of the United States Trustee; and it appearing that notice of the Motion was good and sufficient; and opposition having been interposed by the Chapter 7 Trustee; the petitioning creditors; Merchants Bank of Indiana; and the Office of the United States Trustee; and the objections having been overruled; and after due deliberation and sufficient cause appearing therefor; it is hereby

ORDERED, that the Motion is granted, and this Chapter 7 case is hereby converted to a case under Chapter 11; and it is further

ORDERED, that a Chapter 11 Operating Trustee shall be appointed by the Office of the United States Trustee in this bankruptcy case; and it is further

ORDERED, that within thirty (30) days of the date of entry of this Order, the Chapter 7 Trustee shall file the following:

- a. A final accounting for all receipts and disbursements made in the Chapter 7 case; and
- b. A report on the administration of the case pursuant to 11 U.S.C. § 704(a)(9); and it is further

ORDERED, that the Chapter 7 Trustee shall turn over to the Chapter 11 Operating Trustee all records and property of the estate remaining in the Chapter 7 Trustee's custody and control; and it is further

ORDERED, that within thirty (30) days of the date of entry of this Order, the Chapter 7 Trustee and any other party entitled to compensation may file an application for compensation and reimbursement of expenses; and it is further

ORDERED, that within three (3) days of the date of entry of this Order, the Debtor shall serve a copy of this Order upon all creditors; the Office of the United States Trustee; the Chapter 7 Trustee and his attorneys; all parties having filed a proof of claim in this case; and all parties having filed a notice of appearance and demand for service; and it is further

ORDERED, that the Court shall retain jurisdiction over this Order to determine any disputes that may arise hereunder.

Dated: Central Islip, New York
October 20, 2023




Robert E. Grossman
United States Bankruptcy Judge